
Table of Contents

We may be required to take action or restrict operations to mitigate hazards to air navigation and interference with other air space users.

Wind energy towers and turbines can interfere with air navigation, and solar facilities can generate glare that may have a distracting effect on pilots. There is some chance that the facilities we expect to acquire could result in adverse effects on air safety, or that we could be ordered to mark our facilities or modify operations to avoid such effects. In addition, we could incur fines or penalties in connection with the failure to properly notify the proper regulatory authorities or otherwise fail to comply with regulations relating to hazardous to air navigation. In addition, wind energy facilities can interfere with military radar operations or telecommunications. If such interference occurs, we may be required to modify our operations to avoid such interference. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

Harming of protected species can result in curtailment of wind project operations.

The construction and operation of energy projects can adversely affect endangered, threatened or otherwise protected animal species. Wind projects, in particular, involve a risk that protected species will be harmed, as the turbine blades travel at a high rate of speed and may strike flying animals (birds or bats) that happen to travel into the path of rotating blades. While pre-construction studies are conducted to avoid siting wind projects in areas where protected species are highly concentrated, there is often a level of unavoidable risk that flying species will be harmed by project operation.

Wind energy projects like the ones we intend to acquire are likely to strike and kill bats and birds, and occasionally strike and kill endangered or protected species. As a result, we will implement applicable industry guidelines and governmentally-recommended best practices to avoid harm to protected species, such as avoiding structures with perches, avoiding guy wires that may kill birds or bats in flight, or avoiding lighting that may attract protected species at night. In addition, we will attempt to reduce the attractiveness of a site to predatory birds by site maintenance (e.g., by mowing or removal of animal and bird carcasses).

Where possible, we will obtain permits for incidental take of protected species. Taking of protected species, even if unanticipated or if the species was not known to be present in the area prior to development of the project, can result in enforcement actions and requirements to implement mitigation strategies, which may include habitat preservation efforts or curtailment of operations.

Risks related to our international operations

We operate in emerging markets and may expand our operations into countries where we currently have no presence, which subjects us to economic, social and political risks and uncertainties.

Our initial portfolio consists of projects located in China, Brazil, India, South Africa, Honduras, Costa Rica, Nicaragua, Peru, Uruguay, Malaysia and Thailand. We intend to rapidly expand and diversify our initial portfolio by acquiring additional utility-scale and distributed clean generation assets located in other emerging markets in Asia (except Japan), Africa and Latin America, and in similar geographies in the Middle East. Our operations in emerging markets involve a number of risks that are more prevalent than in developed markets. As a result, we are subject to a number of risks and uncertainties associated with operating and expanding internationally and in emerging markets. These include, but are not limited to:

- political, social and economic instability, including wars, acts of terrorism, political unrest, boycotts, sanctions and other business restrictions;
- the macroeconomic climate, including high rates of inflation, and levels of energy consumption in the countries where we have operations;